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July 7, 1982

MEMORANDUM FOR THE HONORABLE WILLIAM J. CASEY  
The Director of Central Intelligence

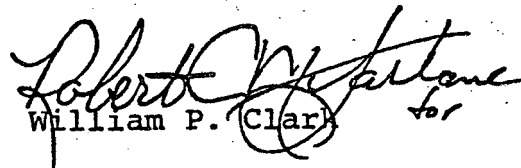
SUBJECT: US-PRC Relations

We are approaching the end of prolonged negotiations with the People's Republic of China on the question of continuing American arms sales to Taiwan. In the end, it may be that the Chinese will want more than we are willing to offer and that they may choose to downgrade relations with us when our next arms package to Taiwan is announced. Such a downgrading may take place as soon as the end of this month. Therefore, we request an evaluation by CIA of the following points:

- How relations between the PRC and the US are most likely to be downgraded.
- What this downgrading will mean in practical terms to US-PRC relations.
- Likely reactions from the Soviet Union, US allies in Asia and our NATO allies.

We would appreciate completion of this informal estimate by close of business July 23, 1982.

FOR THE PRESIDENT:

  
William P. Clark for

NSC review completed.

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Review on July 6, 2002

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